*T*he *M*anager

MANAGEMENT STRATEGIES FOR IMPROVING HEALTH AND FAMILY PLANNING SERVICES

Human Resources: Managing and Developing Your Most Important Asset

Editors' Note

Human Resource Management (HRM) is a strategic and comprehensive management area that involves establishing policies, practices, and administrative structures that focus on an organization's most valuable resource—its people.

HRM is a leadership, financial, and management issue. Personnel costs consume 70 to 80 percent of the budget of most organizations. Managing human resources effectively and efficiently plays a critical role in ensuring that a satisfied, motivated work force delivers quality health services. It also plays an important role in increasing staff performance and productivity, enhancing an organization's competitive advantage, and contributing directly to organizational goals.

This issue of *The Manager* discusses human resource management, its components, and its critical role in improving organizational performance. The accompanying supplement, the *Human Resource Management Assessment Tool*, is designed to help a public- or private-sector organization identify problem areas in the organization's HRM system and develop an action plan to address them.

—The Editors

Examining Human Resource Management

Human Resource Management (HRM) is *the integrated use of systems, policies, and management practices to recruit, maintain, and develop employees in order for the organization to meet its desired goals.* Effective human resource management should help employees find meaningful work and provide them with career satisfaction. It can also help an organization, program, or facility to improve its level of performance and increase its success.

Achieving a high level of performance is essential for organizations at a time when national governments are implementing health-sector reform, and non-governmental organizations (NGOs) are striving to be more sustainable. These conditions increase the pressure on organizations to use resources wisely and reduce the size of the workforce. At the same time, clients are demanding that health service providers improve the quality of their services.

A comprehensive human resource system provides managers with a framework and tools to achieve higher levels of staff performance and employee satisfaction on a sustainable basis. At the national level, this involves developing health-sector strategies, policies, and practices to ensure a workforce that is balanced in numbers of staff, qualifications, and placement.

At the organizational level, which is the focus of this issue of *The Manager*, HRM involves linking management and the development of human resources to an organization's strategic plan, goals, and objectives. Establishing these links is an essential management strategy. It involves assessing the capacity of an organization's human resources in six areas—*HRM capacity, HRM planning, personnel policy and practice, HRM data, performance management, and training.* These HRM areas are relevant in any organization, regardless of its size, purpose, and degree of complexity, and whether it is public or private.

This issue of *The Manager* will help you begin the process of assessing your organization's HRM system and determining how to improve it. The issue examines the expanding role of HRM in helping an organization deliver on its mission and discusses factors related to performance management. It also provides examples of countries where managers have assessed the status of their human resource system and identified and prioritized areas that need strengthening. The supplement to this issue, the *Human Resource Management Assessment Tool,* provides an assessment instrument and includes suggestions for applying it in an organization, analyzing the results, and developing an action plan to strengthen human resource capacity.

The guest editors for this issue are Mary O'Neil and Sarah Johnson, Senior Program Officers for the Family Planning Management Development (FPMD) project of Management Sciences for Health (MSH). Mary O'Neil has over 20 years experience in human resources. At MSH, she develops tools and resources to help strengthen the capacity of organizations to manage and integrate human resources. Sarah Johnson has worked in the health sector for over 20 years in the areas of human resource development,

A Quick Look at Your Current HRM System

HRM is perhaps the most misunderstood and poorly utilized management system in the health sector today. As a result, determining your organization's current view of its human resources and how it should strengthen its systems can be a challenging task. Whether you work at the national, regional, or local level, taking the following Human Resources Quiz for Managers will help you begin to think about some of the issues involved and begin the process of establishing an HRM system that improves productivity and helps you provide quality services that meet your clients' needs.

Human Resources Quiz for Managers			
Question	Yes	No	Some-times
1. Do employees understand how their work specifically contributes to the mission and goals of the organization?			
2. Do employees view performance appraisals as an opportunity to learn about their skills and competencies and discuss future plans?			
3. Is the supervisor's role valued and supported by the organization?			
4. Are job descriptions up-to-date and readily available to all employees?			
5. Are employees routinely considered for job vacancies and other opportunities for promotion?			
6. Do employees understand the organization's policies on salaries and benefits and consider them fair and equitable?			
7. Does your organization have a clear system for managing volunteers?			
8. Can your organization engage in long-range planning, knowing it has or can develop the human resources required?			
9. Does your organization have strategies to provide meaningful jobs?			
10. Does your organization have a spirit of achievement and high performance?			
11. Do employees come to work on time and work productively for the full work day?			
12. Do managers spend less than 10% of their time dealing with grievances?			
13. Can your organization take on new objectives or tasks with cooperation from everyone?			

If you answered "yes" or "sometimes" to the questions above, you are to be congratulated! If you found yourself checking off "no" to many of the questions above, it is time to re-think your approach to human resources and consider how to improve it.

Looking at Human Resource Issues at the National Level

In many countries, the health-sector workforce is dissatisfied, underpaid, poorly motivated, and skeptical of decision makers' ability to solve the problems facing the health sector. Yet, it is people—the managers and staff working in health—who are responsible for implementing the changes resulting from health-sector reform. A comprehensive HRM system is essential for ensuring an efficient and motivated workforce capable of contributing to the ultimate success of the reforms.

In an era of health-sector reform and shrinking budgets, providing quality health services requires leadership. Leaders and managers need to have:

- The capacity to accurately forecast human resource needs in order to deliver services to the public;
- A workforce whose training and education are consistent with client needs and with the management needs of their programs;
- The ability to assign staff to the geographic areas where they are needed;
- Positive relationships with union officials;
- A workforce amenable to change in the workplace.

These human resource concerns will drive national policy development regarding the training and education that your workforce needs in order to provide essential services to your client populations.

Considering the Implications of Health-Sector Reform

Countries throughout the world are seeking better ways to structure and finance their health services. If your country undertakes health-sector reform, you may be expected to participate in the reform process, while at the same time ensure that clients receive quality services. To accomplish this, you need to:

- Have committed and skilled staff, in sufficient numbers, and with the skills needed for their work;
- Be able to distribute staff equitably among geographical areas and organizations;
- Provide training and staff development opportunities that are consistent with your priorities and needs;
- Have sound HRM systems and policies.

Your staff must also understand and support the goals of health-sector reform, appreciate the impending changes in health-service organizations and structures, and be ready to adapt and respond appropriately to these changes.

Human resources are the essential engine of health-sector reform. Without the support and participation of people, reforms are impossible to implement. But changes in organizational structures, levels of responsibility, and financing arrangements under reform can influence the motivation and productivity of staff. You may face both opportunities and challenges in developing, maintaining, and motivating a work force that will be effective both in implementing reforms and delivering services.

Civil service reform. One opportunity you might have under civil service reform, for example, is an increase in salaries for different types of jobs, which can enhance your ability to attract and keep qualified staff. Civil service reform might also involve efforts to improve the human resource information system, which can provide you with better data on staff numbers, types, distribution, and costs. This can greatly strengthen your capacity to undertake human resource planning. Further, civil service reform sometimes involves transferring health workers from the national civil service to local health boards, which can give local health managers greater flexibility in deciding how many staff to hire and how much to pay them.

Civil service reform also brings challenges. Radical civil service reform, for example, can interrupt essential human resource management functions such as hiring, firing, and paying salaries and benefits. If your country is considering implementing radical civil service reform, you may need to clarify in advance how you will implement these functions to avoid confusion and a swift drop in staff morale. Further, if civil service reform includes an ambitious program to reduce the size of the workforce, you may have to be creative in determining ways to implement reforms and to deliver quality services with a limited number of staff.

Decentralization: a tool of health-sector reform. Decentralizing the authority for financial and programmatic management of health services from central to local levels is intended to bring the planning and management of health services closer to the clients. It is also intended to make them more efficient. The magnitude of the human resource issues related to decentralization depends on the form and type of decentralization that your country has adopted. Transferring budgetary and staffing authority from a central to a municipal level, for example, has far greater implications than delegating limited powers to a provincial health office. A fully functional human resource system and good HRM planning can facilitate the transfer of power to lower levels by making it easier for you to restructure jobs, revise job descriptions, and carry out ongoing supervision and training of the people at lower levels who will assume new responsibilities.

Focusing on HRM at the Organizational Level

Even as policy makers adjust policy and regulatory frameworks at the national level, there is much that managers of district health services, NGOs, public hospitals, or health centers can do to strengthen the HRM system. Furthermore, establishing a strong and comprehensive system has many benefits for managers at all levels in both public- and private-sector organizations. Such a system can help ensure that your staff deliver quality health services to their client communities. The following box summarizes some of the many benefits—to both the organization and the employee—of establishing a strong HRM system.

Benefits of Establishing a Strong HRM System	
To the Organization	**To the Employee**
• Increases the organization's capacity to achieve its goals • Increases the level of employee performance • Uses employee skills and knowledge efficiently • Saves costs through the improved efficiency and productivity of workers • Improves the organization's ability to manage change	• Improves equity between employee compensation and level of responsibility • Helps employees understand how their work relates to the mission and values of the organization • Helps employees feel more highly motivated • Increases employee job satisfaction

When working to establish a strong HRM system in your organization, there are several key issues you should consider. These include:

- Expanding the role of HRM in the organization;
- Encouraging human resources leadership at the organizational level;
- Developing and maintaining a performance management system;
- Establishing a responsive supervisory system;
- Investing in training.

Expanding the Role of HRM

An essential part of your overall management strategy should be to consider how HRM can help your organization fulfill its mission. Looking at HRM from this strategic perspective will help you focus on the relationship between human resources and your organization's mission, strategies, and objectives.

Often, people view HRM as having a limited, administrative role focused on salaries, benefits, personnel policies and procedures, job descriptions, and training. While this administrative role is very important

and an essential part of an HRM system, you should not limit the role of human resources to these activities. HRM should:

- Be a strategic partner in developing and attaining organizational goals and strategies;
- Act as an administrative expert in establishing and managing administrative policies, procedures, and structures;
- Represent and support employees;
- Be a change agent for the organization.

HRM as a strategic partner. Senior managers in both the public and private sectors can use HRM strategically by working with human resource professionals to establish systems and practices that align human resources with their organization's goals and strategies. Human resources practices that could support strategic objectives might include:

- Creating new jobs;
- Revising job descriptions;
- Recruiting new personnel with different skills;
- Establishing clear transfer policies;
- Conducting orientation sessions and training for staff at all levels;
- Implementing leadership seminars for top managers;
- Training supervisors.

HRM as an administrative expert. Human resource management also involves managing the administrative infrastructure of an organization so that it is more efficient. Administrative infrastructure tasks may include designing and establishing procedures for recruiting, hiring, work planning, and performance review. They could also include developing clear policies for job classification, compensation, disciplinary actions, and labor law compliance; and maintaining the human resources database.

HRM representing and supporting employees. Human resource management can also be an employee champion in the organization by providing a mechanism for employees to express their needs and concerns, acting as an employee advocate, and developing and maximizing staff skills and knowledge and commitment to the organization. Ways in which HRM can fulfill its champion role include:

- Holding face-to-face meetings between human resource staff and individuals and groups of employees;
- Supporting the work planning and performance review process;
- Surveying employees;
- Talking informally to employees in the workplace;
- Bringing employees' concerns to senior management in a timely fashion;
- Taking corrective action with supervisors and employees as needed;
- Coaching or mentoring managers to help them to be more effective and sensitive leaders.

HRM as a change agent. Human resource management can play a key role in identifying and implementing processes for change and in preparing employees for change. Human resource activities that support change can include analyzing competency, supporting reform processes, and redesigning systems to help an organization meet new objectives, such as increasing organizational sustainability or reaching new target populations using existing staff.

Stress associated with change may be manifested at all levels in an organization by lack of cooperation and a decline in performance. Steps that human resource professionals can take to minimize the negative impact of change on employees and, ultimately, on their organizations, include:

- Keeping all employees informed about the changes taking place and the anticipated benefits;
- Creating opportunities for staff to contribute ideas, help plan, ask questions, and discuss the impact of the changes;
- Being realistic about the expected benefits of the changes;
- Soliciting ideas from employees about how to prepare for changes;
- Encouraging team work and team spirit;
- Following through on agreed-upon actions.

The following box provides a diagram that shows how the people-centered values at the core of an organization can guide organizational decision making.

Organizational Values

In addition to providing a structure and framework for strategically managing your staff, infrastructure, and processes of change, human resource management can and should play an important role in shaping the values of your organization, and disseminating them throughout the organization. As shown in the diagram below, employee-oriented values are at the very core of the organization. Surrounding these organizational values are the organizational objectives that guide decision making. Surrounding them, in turn, are organizational strategies and practices that can change from year to year in response to changes in the internal and external environment.

HRM Strategies & Practices

Recruitment

HRM Staff

Hiring

Objectives

HRM Budget

Organizational Mission & Goals

Health Care Management

Access

Values

Job Classifications

HRM Planning

Capacity Building

Respect for People
Personal Integrity
Team Work
Optimism

Accountability

HRM Data Systems

Trained Personnel

Quality Services

Pay Equity

Training

Sustainability

Improved Health for All

Performance Management

Leadership Development

Personnel Policy

Supervision

Union Relationships

Adapted from the Hewlett-Packard Company's "HP Way" (Letts et al., 1999).

Encouraging Human Resource Leadership at the Organizational Level

Many organizations treat HRM in a piecemeal fashion. Human resource leaders link all components of human resources to create one, integrated HRM system. When an organization's leaders create this type of integrated system, the effect on organizational performance can be profound. In supporting human resources by giving it a prominent and strategic role, you, as a manager and a leader, are also sending a message to all staff that the organization will treat them fairly and will respect their contribution to its success.

The following table provides suggestions for how to take a leadership role in human resources in your organization.

Taking a Leadership Role in Human Resources

Every organization or program needs leadership at the highest level to support human resources. To take a leadership role in HRM, you should:

- Create a positive climate for human resources;
- Create a management structure for human resources;
- Define what needs to be done;
- Forge new organizational arrangements that foster employee participation, team work, and growth;
- Ensure that human resource activities are integrated throughout the organization;
- Involve staff at all levels and from all departments in HRM;
- Dedicate staff and budget to building human resource capacity within the organization;
- Make learning an organizational priority;
- Provide a link between internal human resource management and external stakeholders;
- Influence health policy makers;
- Influence the curricula offered by pre-service training organizations;
- Forge new directions for HRM in the organization.

Developing and Maintaining a Performance Management System

One of the most important tasks for a human resource leader is to support the establishment of an organization-wide performance management system that connects strategic and operational plans with performance measures for organizational units and for individuals. This system will help employees understand how their work contributes to the success of the organization, which may help them feel more motivated and be more productive. When implemented in a systematic way, performance management has the potential to improve both group and individual performance and make organizations more successful.

Human resource elements of a performance management system include:

- A written job description for each position in the organization;

- Defined supervisory relationships;

- Regular work planning meetings between supervisors and their staff;

- Periodic performance review meetings;

- Opportunities for training and staff development.

Regular work planning is a key element in an effective performance management system. To do work planning, the supervisor and the employee jointly develop the employee's work plan objectives for a designated time period, often six months. They derive these objectives in part from the organization's annual work plan objectives. They should write the employee's work plan down and sign it. At the end of the designated time period, they meet again to review the employee's performance against his or her performance objectives and develop a work plan for the next time period.

Work planning helps the staff member understand his or her work objectives and understand that he or she is accountable for achieving them. If an employee is unable to perform at a satisfactory level, a good HRM system also provides personnel procedures for the supervisor to follow in providing opportunities to learn needed skills or in taking corrective actions.

Accountability, or being responsible for achieving agreed-upon work objectives, is an important element in a performance management system. A core set of "people-centered" values does not mean a lack of employee accountability. A human resource leader shows respect for people by building a performance management system that provides for assessing employee performance in an objective and constructive way and holds employees accountable for work planning objectives. (For more information and a copy of a performance management tool, please refer to *The Health Manager's Toolkit*, located on MSH's Electronic Resource Center at http://erc.msh.org/toolkit).

Establishing a Responsive Supervisory System

The role of the supervisor in an effective human resource system is critical, as he or she provides the bridge between the organization and the employee. The supervisor communicates the larger goals of the organization to the employee, and, through the work planning process, guides the work of the employee to directly support these goals. The supervisor needs to be aware of gaps in job readiness, and to support the development of employee skills and capacity as needed. The supervisor must also be aware of problems in employee performance that cannot be solved through training or development activities and make decisions about how to address them in a positive and constructive manner.

Managers must allow supervisors adequate time to meet with and develop their supervisees in order for the supervisory process to be effective in meeting the needs of the staff and of the organization. Further, the organization must fully integrate the supervisory process with other HRM components, such as performance management and personnel policy.

Individual and team supervision. At all levels of the organization, supervisors in the health sector contribute to the delivery of high-quality health services to clients. They do this in two ways: through both individual and team supervision. For either supervisory approach, the role of the supervisor is to facilitate the work of individual employees or employee teams so they can effectively perform their job responsibilities.

Individual supervision involves supervising the performance of an individual employee on a one-to-one basis. It also involves periodic joint work planning and performance review meetings between the supervisor and the staff member. It can also involve day-to-day guidance, mentoring, and problem solving.

In team supervision, supervisors build and support a clinic team whose members work together to analyze

and solve problems on an ongoing basis. A team approach to supervision emphasizes individual performance only as it relates to the ability of the team to achieve common goals. By using a team approach to supervision and by placing an emphasis on team problem solving, supervisors can overcome many of the shortcomings of traditional supervision, which can focus more narrowly on vertical programs or individual performance and may not be as supportive or facilitative. (For more information on these supervisory approaches, see "Improving Supervision: A Team Approach," *The Manager,* Volume II, Number 5, Oct/Nov/Dec 1993.)

An effective supervisory system:

- Describes in writing all supervisory roles;
- Ensures that all supervisors and employees are aware of the system and the procedures;
- Makes clear all individual performance objectives and also overall clinic objectives and desired results or outcomes;
- Trains supervisors;
- Provides adequate time and resources for supervisors and supervisees to meet and work together;
- Fully integrates the supervisory system with the overall strategies and goals of the organization and the other components of the HRM system.

Investing in Training

Throughout the world, health organizations devote a significant portion of their funds and staff time to training, with the goal of improving the effectiveness and efficiency of their staff and their programs. Often, however, they have designed and implemented this training without adequately diagnosing or planning for the needs of the organization or the employee. As a result, it is not always clear whether the training has either solved individual performance problems or contributed to improving the organization's performance overall.

Further, many health organizations are becoming reluctant to pay for expensive training until they see more tangible benefits to employees, the organization, and the community. (For more information on evaluating the impact of training, see Volume V, Number 3 of *The Manager*, "Assessing the Impact of Training on Staff Performance," Fall 1996.)

When considering training, organizations and employees often have different objectives. Organizations want their investment in training to result in improved performance and to contribute directly to their ability to meet their objectives. Employees hope that training will further their career development and credentials.

The ways in which organizations deliver training are also changing. For instance, the health sector is beginning to adopt alternative approaches to training that were first developed in the business sector. Besides being effective at improving staff performance and motivation, these approaches are often cost-effective. They include:

- Challenging job assignments;
- Structured on-the-job learning;
- Mentoring;
- In-house technical presentations to staff;
- Rotational assignments.

Technology is also opening up a range of new ways to transfer knowledge. If you have access to computers and the Internet, there are a variety of "electronic" training and educational resources that your employees can use to develop skills without leaving their work site. While these technologies have the potential to increase staff competency in some areas, it is not always clear how you can use these technologies in a productive and cost-efficient way. As with traditional training programs, you should first determine your training needs and integrate training planning into your overall HRM system. This will enable you to use electronic training effectively to solve individual performance problems and contribute to improving your organization's performance.

Improving Performance through HRM

People need fair compensation, but money alone does not improve performance. Studies indicate that the positive effects of a salary increase usually last for between six to seven weeks. Meaningful work that is integral to the goals of the organization, has the respect of fellow employees, and provides opportunities to develop individual skills results in a more sustained level of employee performance. A human resource system that integrates performance management with organizational goals will ensure that your employees understand how their work relates to and contributes to the mission of their organization.

A carefully planned and implemented human resource system addresses the kinds of employee concerns that can affect performance. These concerns are reflected in questions that employees frequently ask about their workplace, including:

- Am I being treated fairly?
- What am I supposed to do?
- How well am I doing it?
- Does my work matter to the organization?
- How can I develop myself within the organization?

Am I Being Treated Fairly?

A major factor in employee motivation is people's perception of fairness. This is especially important regarding salary and compensation. An employee may begin to develop his or her perception of fairness in the organization starting with the hiring process. Perceptions of fairness relate to the day-to-day application of personnel policies, the distribution of tasks and responsibilities among employees, salary policies, and the organization's support for and recognition of employees.

HRM Responsibility for Fairness in the Workplace

One important managerial responsibility is making sure that all managers and staff apply personnel policies on a day-to-day basis and distribute tasks and responsibilities fairly and equitably among employees. When developing an integrated human resource management system, you should review your organization's job classifications and related salary scales to ensure that salaries are appropriate to the level of responsibility and are competitive when compared with local economic conditions. In some cases it may be difficult to correct salary imbalances, but you should make every effort to take corrective action internally to ensure that all staff are receiving fair and equitable compensation.

You should also review your organization's personnel policies, update them as needed, and make the updated information available to all staff. In addition, make sure that you inform all supervisors and managers about the new personnel policy and that they apply the rules fairly and equitably to all employees.

HRM Responsibility for Setting Work Priorities

One of the steps you can take in strengthening an HRM system is to make sure that all staff have a current and up-to-date job description that provides them with information about their general duties and responsibilities. The description should clearly describe all job responsibilities and the supervisory relationship. The job description provides the supervisor with a starting place in developing a work plan with the employee.

Because the job description is general, it does not describe the specific responsibilities or performance objectives for which a supervisor may hold an employee accountable in a certain time period. Most employees do not perform all of the duties listed in their job description all the time, even if the job description is up to date, as work and organizational priorities change. As stated earlier, a supervisor and staff member should conduct work planning and performance review meetings on a semi-annual basis. This allows them to jointly and systematically plan the specific performance objectives for which the employee will be responsible in a given six-month period. This joint work planning process also helps the supervisor to identify in a timely way the skills and resources that the employee will need to successfully perform the tasks required to meet his or her work objectives.

HRM Responsibility for Encouraging Good Performance

An important element of a work planning and performance review system is holding joint work planning and performance review meetings on a regular basis. As discussed above, the supervisor and employee agree on specific performance objectives during these meetings. These agreed-upon objectives become the basis of the next performance review. This system allows both the supervisor and the employee to evaluate performance and to plan ahead for training or other career development activities, if needed. A work planning and performance review system can improve individual staff performance and increase staff motivation. If you use the system as the basis for creating a staff development plan, it will also help you align staff development efforts more closely with your organization's goals. Ongoing supervision between the semi-annual work planning and performance review meetings is also key.

Does My Work Matter to the Organization?

When employees feel that their work is meaningful to the organization for which they work and important to the people they serve, they work more productively. For many people, having skills and competencies and performing well are not motivating if the result does not contribute to the success of the organization.

HRM Responsibility for Providing Meaningful Work

Communicating to employees that their work matters is an important element in an HRM strategy. Engaging in systematic planning and taking steps to make sure that people's day-to-day work directly supports the priorities of the organization are critical to meeting your organization's objectives. These objectives represent the strategic areas in which your organization has decided to focus in a given year, as identified during your organization's annual planning process. These objectives may vary on an annual basis, depending on changing organizational priorities.

You can link the work planning and performance review process to your organization's annual work planning cycle by using the priorities of the organization, department, or unit as the basis of the joint work planning between each supervisor and his or her staff. This will help to ensure that the work of each person *does* matter, and that each person understands how his or her work is important to the organization.

How Can I Develop Myself within the Organization?

People feel motivated and challenged when they have opportunities to learn, develop new competencies, assume new responsibilities, and believe that their efforts will strengthen their careers. Providing these opportunities can also be an important way for you to recognize your employees. Participating in training and other activities where people share learning and value each other's experience increases staff collaboration and teamwork and can increase overall performance and productivity.

HRM Staff Development Responsibility

Making staff development a priority is an important component of a comprehensive HRM system. Posting job opportunities within the organization and supporting internal candidates will send a signal that the current experience of your staff is valued. A well-managed program of training and staff development can broaden the skills and competencies of your staff and reap many pay-offs. Formal, organized training is only one vehicle for staff development. Other staff development strategies include:

- On-the-job learning through mentoring relationships;
- Cross-functional assignments;
- Membership in task forces and committees;
- Additional job assignments;
- Technical presentations and discussions at staff meetings.

These can all provide the challenge and opportunity needed for personal and professional growth as well as increase the knowledge that people have in common and expose them to new ways of thinking and doing.

Assessing the HRM Capacity of Your Organization

One of the most important things you can do to establish a strong, comprehensive HRM system is to gather the information that will help you plan for and implement the system. To do this, you need to determine your organization's areas of strength and the areas that need strengthening. Once you have identified the areas that require strengthening, you should prioritize them and develop an HRM action plan to address them.

Your assessment should look at all the areas of your organization's HRM system, including human resource capacity, human resource planning, personnel policies and practices, human resource data, the performance management system, and training. Carrying out a comprehensive HRM assessment will help you address your policy, planning, training, and management in an integrated way.

It is helpful to establish a team of staff from different departments and at different levels in your organization to work together to:

- Do the assessment;
- Discuss the findings;
- Prioritize areas of need;
- Develop an action plan;
- Implement the plan;
- Generate wider support for ongoing HRM efforts in your organization.

Working in a team will also help increase the appreciation of staff in all departments for the human resource concerns, priorities, and possible fears of staff at all levels.

The following table provides a quick overview of the HRM components that you and your team should assess.

Human Resource Management Components	
HRM Capacity	• HRM budget • HRM staff
HRM Planning	• Organizational mission and goals • HRM planning
Personnel Policy and Practice	• Job classification system • Compensation and benefits system • Recruitment, hiring, transfer, and promotion • Orientation program • Policy manual • Discipline, termination, and grievance procedures • Relationships with unions • Labor law compliance

Human Resource Management Components (continued)	
HRM Data	• Employee data • Computerization of data • Personnel files
Performance Management	• Job descriptions • Supervision • Work planning and performance review
Training	• Staff training • Management and leadership development • Links to external pre-service training

Using the Human Resource Management Assessment Tool

Organizations of any size or level of development can use the *Human Resource Development Assessment Tool* (the supplement to this issue) to assess the current status of their human resource system, identify areas they need to strengthen, and take action to improve these areas.

The tool is organized by HRM component in a matrix with four stages of development. Each stage describes the characteristics that are common to that stage of human resource development. These characteristics are also useful for developing a plan of action for your organization to improve those HRM areas that need strengthening.

The following box describes the experiences of three organizations in using this tool to:

- assess the current status of their HRM systems;
- determine areas that need strengthening;
- take action to implement improvements.

Assessing and Strengthening Human Resources Capacity

The three Working Solutions included here represent the experience of both public- and private-sector organizations that have used the *HRM Assessment Tool* to assess the current status of their human resource systems, identify areas that need strengthening, prioritize them, and develop an action plan to address them.

In Albania, the Ministry of Health (MOH), with 24,000 employees nationwide, used the tool to rate its human resource capacity before beginning to decentralize to the district level many of the management responsibilities for the public health system. In Zambia, the Society for Family Health (SFH), a family planning NGO with 80 employees in five offices, used the tool to assess its human resource capacity as part of a strategic organizational effort. And in Bolivia, the Center for Research, Education, and Services (CIES), an NGO with 124 employees providing reproductive health services throughout the country, used the tool to plan for strengthening its overall HRM system.

Albania

In April 1998, with the goal of building its human resource infrastructure, MOH personnel (including the Director of Personnel and his senior staff) used the *HRM Assessment Tool* to rate the human resource capacity of the MOH to manage a decentralized health system. The results of the assessment indicated that the MOH needed to focus on building capacity in all areas of human resources, including planning, systems, and skills. The ministry used these findings to develop a human resource action plan that called for:

- Improving the human resource management skills and capacity of district-level managers so that they could take on responsibilities that were previously handled at the central level;
- Initiating a human resource planning process that included setting norms for staffing levels;
- Developing job descriptions for all MOH staff at both the central and the district levels.

The first step that the MOH took was to send for intensive training overseas five of the central-level human resource staff who will be responsible for implementing the decentralization initiative and managing district-level personnel on their return to Albania. These staff will design and help deliver HRM workshops for central- and district-level staff on developing a Personnel Policy Manual. Other areas that they will focus on as they develop an HRM system include managing performance, developing performance objectives, developing job descriptions, and assessing supervisor competency.

Zambia

During a strategic planning exercise in April 1998, the SFH identified the need for the organization to focus more effectively on human resources. In December of that year, a team of eight mid- and senior-level managers applied the *HRM Assessment Tool,* which helped them identify several key human resource actions they should take, including:

- Appointing and developing staff to be responsible for human resources;
- Developing current job descriptions for all staff;
- Reviewing existing lines of supervision and making necessary changes;
- Reviewing job classifications and the salary system to ensure equity;
- Developing an employee personnel manual;
- Developing and implementing a performance management system;
- Designing and implementing a staff training plan.

SFH staff developed a one-year action plan and identified the staff who would assume HRM responsibilities. Other areas on which they plan to focus include improving their capacity in managing performance, developing performance objectives, developing job descriptions, and assessing supervisory competency.

Bolivia

In April 1999, a team of CIES staff used the *HRM Assessment Tool* as part of a participatory process to strengthen the organization's human resource systems. The facilitator conducted interviews with staff and reviewed personnel data, supervision materials, the salary policy, the organization and staff functions manual, the training plan, the work planning and performance review system, and the organization's strategic and operational plans. The team then used the *HRM Assessment Tool* to analyze the level of development of the components of the CIES human resource system.

The assessment showed that CIES maintains up-to-date personnel records, has a good computerized personnel data base, has a number of HRM manuals, and supports training opportunities for staff. It also suggested that CIES needed to:

- Review its salary policy;
- Develop orientation materials for new employees;
- Develop and implement an integrated supervisory system;
- Place more emphasis not only on enhancing the capacity of the central office to supervise the regional offices/clinics but also on enhancing the capacity of the regional directors to supervise the staff at their level;
- Finalize the organization's work planning and performance review system;
- Create an annual training plan that takes into account all staff in the organization;
- Emphasize management training at the central and regional level;
- Update its job descriptions in general and in the context of decentralization.

By mid-June 1999, CIES had developed and begun to implement a new training plan, a new supervisory system, and a work planning and performance review system that included updated job descriptions, supervisory training for central and regional staff, and a review of the organization's salary policy.

Conclusion

For all three of these organizations, using the *HRM Assessment Tool* helped managers and staff work together to identify gaps in their human resources systems and determine how to address them. This participatory process led each organization to take concrete steps toward improving its human resource system and resulted in increased employee morale.

Making a Commitment to Human Resources

Establishing HRM systems, policies, and procedures requires a long-term commitment by an organization's managers and leaders. In particular, it requires a willingness to take the time to involve employees in developing and maintaining these systems and applying them consistently and fairly. A responsive, participatory system that is flexible enough to adapt to the changing needs of the organization over time will help you be more effective at meeting the needs of both your client populations and your employees.

Managers and leaders should view themselves as human resource champions. They should take responsibility for creating links between the public and private sectors and with the different organizational actors who influence human resource decisions, such as unions, registration bodies, and universities.

Developing and maintaining a fair, equitable, and effective HRM system that provides opportunities for staff development, among other things, will motivate staff and increase their level of job satisfaction. This can result in improving the quality of services. It can also enhance your competitive advantage by increasing the efficiency of your human resources. HRM should be an important part of your long-term strategy to make your organization more sustainable.

Ultimately, an HRM system is the responsibility of all staff—leaders, managers, service delivery, and administrative personnel. Human resource leaders create the organizational and management structure for human resources development, and managers and staff at all levels implement the HRM system. A human resource partnership between senior managers, supervisors, human resource professionals, and staff is what makes an HRM system work.

Reviewers' Corner

A forum for discussing additional applications of the concepts and techniques presented in this issue

On the relationship between an organization and its employees . . . *One reviewer advises,* "Employees must trust the human resource manager and believe that he or she implements the organization's human resource policies equally for all employees."

On human resource management and health-sector reform . . . *One reviewer laments,* "In my country, health-sector reform efforts are focused only on the financial aspects of reform, resulting in low morale in the health workforce and a decrease in service quality. It would be helpful to have in place human resource mechanisms that would ensure better coverage in rural areas and increase personnel skill levels."

On the relationship between the supervisor and the employee . . . *One reviewer suggests,* "A comprehensive HRM system should include mechanisms to help staff deal with incompetent or unjust supervisors, even those who are supported by senior managers."

On the responsibilities of the HRM staff . . . *One reviewer comments,* "Human resource professionals should watch for high staff turnover or low morale in some units or departments. These can be indicators of an imperfect HRM system, or of a supervisor who is not performing well. It is important for the HRM staff to network with supervisors and their supervisees and stay in touch with employees."

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Self-Test: Dispelling HRM Myths

This issue discusses the importance of addressing HRM issues if health organizations are to be successful in managing decentralization, reaching their goals, and working toward sustainability. People need to understand that HRM is a broad management system that helps an organization to keep and motivate its employees and improve its productivity. By answering the questions below, you can check yourself on how you view some of the human resource management myths common around the world. Your answers will help you begin to view HRM strategically as a way to improve the performance of your organization overall.

Myth	True	False
1. HRM is the same as training.	____	____
2. Effective human resource management is costly.	____	____
3. HRM is an important leadership issue within an organization.	____	____
4. HRM is not as important in health-sector reform as financial and structural adjustment.	____	____
5. Between 70 and 80% of an organization's budget is spent on personnel costs.	____	____
6. HRM is the sole responsibility of the HRM office.	____	____
7. HRM is very much misunderstood and poorly managed in most organizations.	____	____
8. The HRM function should control employees through strict rules and procedures.	____	____
9. Improving salaries and providing financial incentives are the only solutions to increasing employee performance.	____	____
10. To ensure a proper supply of health workers, the national level must be involved in policy development.	____	____

[Answers: 1. False 2. False 3. True 4. False 5. True 6. False 7. True 8. False 9. False 10. True.]

The Manager

Staropol District Health Office Looks at the Human Resource Implications of its New Responsibilities

Igor Ivanovich Stratonov, District Health Officer, Staropol District Health Office, and his management team—Maria Stepanovna Kopchuk, Chief of Family Planning Services; Galina Victorovna Zarivskaja, Chief of Maternal and Child Health Services; Roman Petrovich Malarenko, Immunization Officer; Andrei Andrejevich Larchenko, Training Coordinator; and Irina Dmitrijevna Gorlova, Chief Accountant, sat around a long table in the staff conference room. District Officer Stratonov started the meeting. "Welcome, colleagues," said Igor Ivanovich. "As you know, rumors have been flying for months about changes in the management structure of health services in our region. In meetings last week at the Regional Office, we were officially informed of two major changes for management of our district health program:

- All staff working at the district level will become district employees and will no longer be employees of the Regional Office. They will be managed through the District Health Office, which will be responsible for determining staffing levels, hiring and firing, skill development, and performance management.

- The Regional Office will provide each District Health Office with a set amount of annual funding. We will have to prepare an annual budget, submit it to the Regional Office for approval, and be accountable for managing our finances."

The room began to buzz as the team reacted to this news. Galina Victorovna responded first. "It seems to me that it is the human resource implications that we should be concerned with. If we are going to be responsible for managing all the staff in our district, then we better know who those workers are, their job titles, responsibilities, skills, and salaries. Does the Regional Office have that data?"

"You have made a good point," said Igor Ivanovich. "We should focus today on the human resource implications of these changes. Unfortunately, the Regional Office doesn't have good data on district-level staff. We will have to gather that ourselves. These data will help us assess our staffing, skill, and funding needs."

"Facility managers have already been telling us that we have too many skilled staff in some service delivery sites and not enough in others," said Roman Petrovich. "We will have to transfer some staff will from one facility to another."

"Staff morale and productivity are already at an all-time low, with the rumors that have been going around about these changes," said Irina Dmitrijevna. "Some managers have been having trouble providing consistent coverage, because people aren't coming to work."

"Once we have identified our staff and their skill levels and location, we will have to manage them, too," commented Maria Stepanovna. "The Regional Office's performance management system does not have clear

policies and guidelines for performance review. Many of our staff have been grumbling for years about the random nature of promotions and salary raises. Maybe we should look at this as an opportunity to develop a better performance management system. But who should take on that responsibility?"

"I am the only person in the district who has been handling our human resource responsibilities to date," said Andrei Andrejevich. "I have been responsible for documenting our in-service training needs and coordinating with regional staff to make sure that training is done. And I have other responsibilities. I think we will need to have a full-time Human Resource Coordinator. He or she will have to act as a liaison with the Regional Office and civil service representatives at all government levels. This person will also have to work with others to write job descriptions, train supervisors and staff in the new system, and manage the hiring and firing process."

"We will have to hire someone new or identify someone on our staff already who would like to take on these responsibilities," said Igor Ivanovich. "This will have to be a senior position."

"What about salary levels? Will we be able to set them at the district level?" asked Galina Victorovna.

"No," answered Igor Ivanovich. "The civil service, advised by the Regional Office, will still be in charge of salary policy and levels."

"What about the human resource implications of the financial management side of these changes?" said Irina Dmitrijevna. "We will have to create new positions, with new skills, to handle our increased responsibilities. Is the Regional Office going to help us determine our needs? Will any Regional Office staff be transferred to our level?"

"Several District Officers brought up this concern during our meetings last week," said Igor Ivanovich. "Nothing has been decided yet. Staff who are working in the capital will probably resist any efforts to transfer them to the districts. But there was talk of the Regional Office providing training for district-level staff in preparing budgets. We will have to work with them to determine our financial management skill requirements."

"I suggest that we form a Human Resource Advisory Committee," Galina Victorovna said. "I would like to be on it. I think we should be sure to include a union representative, too, who can be our liaison with the workers' union. The team could be charged with assessing our human resource system needs, gathering human resource data, and developing a transition plan."

"Yes, establishing a committee is an excellent idea, as is including a union representative," Igor Ivanovich said. "I expect all of you to serve on this committee. We must take a leadership role in ensuring that the transition goes smoothly, with little or no disruption in services. And we must think of ways to make facility-level staff part of this transition process. Let's meet again next week. I would like you to have ready some suggestions of facility managers to invite to join us. And Galina Victorovna, I would like you to prepare the draft of an announcement about the Regional Office proposals and the actions that we are taking, that we can send to all district staff."

Case Discussion Questions: Staropol District Looks at Human Resources

1. **What are the changes proposed by the Regional Office? What are the human resource implications of these changes?**

2. **What kinds of actions might the District Health Office take in order to handle its new responsibilities?**

3. **What are first steps that the team plans to take in preparing to take on their new responsibilities?**

1. What are the changes proposed by the Regional Office? What are the human resource implications of these changes?

The changes proposed by the Regional Office are to make all district-level health staff employees of the District Health Office, rather than employees of the Regional Office, and to provide annual funding in a lump sum to the district office, which will be responsible for preparing an annual budget for the district and managing district funds.

The primary implication of these changes is that the District Office will need to increase its human resource management capacity. It will need to clarify its changed roles, develop new skills, and revise its management structure. It must also develop its capacity to use data to make decisions on staffing, skill, and funding needs, and when preparing a budget for the Regional Office.

2. What kinds of actions might the District Health Office take in order to handle its new responsibilities?

The actions that the team discussed taking in order to handle its new responsibilities include:

- Gathering data on their current staff, including their job titles, skill levels, skill needs, salary levels, and location;

- Determining the District Office's staffing, skill, and training needs, given their new human resource and financial management functions;

- Establishing a new performance management system with clear policies and guidelines on such aspects of human resource management as performance review and promotions;

- Hiring a senior, full-time person in charge of human resources. This person will be in charge of managing the performance management system. He or she must act as a liaison with Regional Office staff and civil service representatives at all levels. He or she must also work with others to write job descriptions, train supervisors and staff in the new system, and manage the hiring and firing process;

- Creating new positions, with new skills, to handle these new financial management responsibilities;

- Develop a transition plan.

3. What are first steps that the team plans to take in preparing to take on their new responsibilities?

The team is forming a Human Resource Advisory Committee, headed up by the District Health Officer. All members of the management team will serve on the committee, which will also include a workers' union representative, and some health facility managers and employees. The team's first tasks will be to assess human resource system needs, ensure that data on district staff are gathered, and develop a transition plan. Further, the District Office plans to circulate a notice to all staff about the changes proposed by the Regional Office and the actions that the office is taking as a result.

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*T*he *M*anager

HRD Component	Stages of Human Resource Development and Characteristics			
	1	**2**	**3**	**4**
Personnel Policy and Practice				
Job Classification System (Title/qualifications for: professional, clinical, technical, support staff)	No formal system exists to classify jobs and the skills and qualifications required for each classification.	There is some attempt to classify jobs, but it is uneven and incomplete.	A job classification system exists, but it is not used as a basis for other HRD functions (e.g. job descriptions, hiring, salary/benefits).	A job classification system exists and is used in a formal manner for other HRD planning and staffing functions.
Compensation and Benefits System	No formal system exists for determining the salary scale and benefits provided to each job classification.	A formal system exists, but it not used in a routine manner.	A formal system exists, is understood by all employees and used in a consistent manner.	A formal system exists and is used consistently. It is also used to determine salary upgrades and merit awards.
Recruitment, Hiring, Transfer, and Promotion	No formal process exists for recruiting, hiring, transfer, and promotion according to job descriptions.	There are systems for hiring, etc. but they are not followed.	There are formal systems, based on established criteria, but they are not used consistently.	There are formal systems, monitored and used in all hiring, transfer, and promotion decisions.
Orientation Program	There is no formal orientation program for new employees.	There is a program, but it is not implemented on a regular basis.	Orientation is offered in a routine manner, but does not emphasize the mission, goals, and performance standards expected by the organization.	Orientation is offered to all new employees, emphasizes the mission, goals, and performance standards expected, and also makes people feel welcomed and valued.

Human Resource Management Assessment Tool

Human Resource Management Assessment Tool

In This Supplement

This supplement to *The Manager* provides a tool for assessing an organization's Human Resource Management (HRM) system—what it consists of and how well it is functioning. The HRM Assessment Tool helps users to develop strategies to improve the human resource system and make it as effective as possible. It can also serve as a basis for focusing discussions, brainstorming, and strategic planning. It is designed to be used in public and private-sector health organizations.

For newly formed organizations, the tool can serve as a guide for developing an optimal HRM system. For established organizations facing changes, such as contracting out services, decentralizing, downsizing, or expansion, the tool can serve as a reference for the types of HRM issues that must be addressed in order to manage change successfully.

For optimal benefit to the organization, it is important that the use of this tool be fully supported by the leadership of the organization. Units within an organization can also benefit from using the tool as a guide for improving human resource components that they can influence directly.

Developing an Effective Human Resource System

Human resource management is defined as *the integrated use of procedures, policies, and management practices to recruit, maintain, and develop employees in order for the organization to meet its desired goals.* It includes six broad areas: human resource capacity, human resource planning, personnel policy and practice, human resource data, performance management, and training.

HRM is most effective in an organization when its authority is located at the senior management level. A system that functions effectively can assist the organization in developing a set of policies, practices, and systems that advance the skills and increase the motivation of staff in order to achieve the highest possible level of performance over time.

Benefits of an Effective Human Resource System

- Encourages systematic planning to support organizational mission;
- Increases capacity of the organization to achieve its goals;
- Provides a clear definition of each employee's responsibilities and a link to the organization's mission;
- Encourages greater equity between compensation and level of responsibility;
- Defines levels of supervision and management support;
- Increases level of performance and the efficient utilization of employees' skills and knowledge;
- Results in cost savings through improved efficiency and productivity;
- Increases the organization's ability to manage change.

The HRM Assessment Instrument

The HRM Assessment Tool is intended to provide users with a rapid assessment tool to identify the characteristics and capacity of an organization's human resource system and help users form an action plan for improving the human resource system in the organization. The instrument itself consists of a matrix that includes:

- Twenty-three human resource components that fall within six broad areas of human resource management;
- Four stages of development of HRM;
- Characteristics that describe each human resource component at each stage of development;
- Blank spaces for users to write a brief statement, or indicator, to show that the organization fits a particular stage of development.

Human resource components. The 23 human resource components assessed by this tool fall within six broad areas of human resource management and represent the core functions of an effective human resource system. Based on a set of characteristics describing stages of HRM, the tool provides a process through which an organization can assess how well it is functioning in relation to each of these 23 components, and determine what steps it can take to function more effectively.

Human Resource Components Assessed by the HRM Tool

HRM Capacity
HRM Budget
HRM Staff

HRM Planning
Organizational Mission/Goals
HRM Planning

Personnel Policy and Practice
Job Classification System
Compensation and Benefits System
Recruitment, Hiring, Transfer, and Promotion
Orientation Program
Policy Manual
Discipline, Termination, and Grievance Procedures
Relationships with Unions
Labor Law Compliance

HRM Data
Employee Data
Computerization of Data
Personnel Files

Performance Management
Job Descriptions
Staff Supervision
Work Planning and Performance Review

Training
Staff Training
Management and Leadership Development
Links to External Pre-Service Training

Stages of development. As organizations grow, strengthen, and mature, they evolve through several stages of development. Organizations pass through these stages at different rates and tend to remain at a particular stage until they have developed a clear mission, good management structures and systems, and skilled managers and staff who use these structures and systems effectively. Most organizations are at different stages of development for different human resource components at any given time, because the components have received different levels of attention as the organization developed. The numbers at the top of the HRM Instrument refer to these four stages of development.

Human resource characteristics. For each human resource component, the Instrument provides a statement that describes the common characteristics of organizations at each stage of development. These characteristics build on the characteristics of the previous stage(s). At the first stage, the characteristics describe an organization that is either just beginning to develop a human resource system or has not paid very much attention to that component. At the fourth stage, the characteristics describe an organization that is operating extremely effectively with regard to that component, and may need to direct its energies to components that are at lower stages of development.

What is an Indicator?

An indicator is a measure or observation that offers evidence of a general status or condition. It answers the question, "What can we see that tells us something is true?" *For example, a participant who places the organization in Stage 3 for Organizational Mission/Goals might choose as an indicator that the mission is always presented during the orientation of new staff.*

Indicators. Because the users of this tool will come from many parts of the organization, they often differ in their perceptions of whether or not the organization meets all the characteristics of a particular stage. To help resolve these different views, users should write one or two indicators that they believe show that the organization fits the characteristics of the stage they have selected. The Instrument provides a blank space in the far right column for these statements, or indicators.

Using the HRM Assessment Instrument

This instrument is best administered by a committee of staff internal to the organization, such as the Executive Director and representatives from senior staff and/or the Board of Directors. It is often useful for an external consultant to facilitate the process. The HRM Instrument is organized according to the 23 human resource components in a matrix showing four stages of development. The characteristics that describe each stage provide information that is useful in developing a plan of action for improving the human resource areas that need strengthening.

Conducting the Self-Assessment

First, each person in the group should individually assess each human resource component in the matrix by reviewing the characteristics of each component at each stage of development. There is no scoring involved. For each human resource component, each person circles the characteristic that he or she believes best represents the current status of the human resource system. If only part of the statement applies to the current human resource system in the organization, you should circle the previous characteristic. In the blank box in the right hand column, in the row marked "Indicators," write one or two specific, concrete observations that provide evidence that the organization fulfills the characteristic you have chosen.

After this individual exercise, the same process is repeated in groups. The group members share their assessments, discuss their indicators, and work together to reach consensus on the appropriate stage and indicator(s) for each human resource component. Finally, the small groups join together to pool their results and work with the entire group to form consensus on the current stage of development for each human resource component.

Once the assessment is complete, the group should discuss the results, agree on the areas that need strengthening, and formulate an action plan that includes specific activities, with time lines, to improve these areas. A paper review of the documents listed below will help to inform the discussion.

Reaching Consensus

Consensus is based on two assumptions. The first is that no single member of an organization possesses the complete truth—that every person at all levels of the organization possesses some part of the truth and that an accurate picture is best obtained by pooling these individual perceptions. The second assumption is that carefully chosen indicators can provide convincing factual evidence and allow a group of people to come to agreement on what may initially seem to be incompatible viewpoints.

The organization reaches consensus not by voting but by patiently sorting through all opinions and coming to a decision that each member can accept and work with, even if it does not completely match his or her preference.

Complementing the Self-Assessment with a Review of Documents

In each case, the assessment work should be complemented by direct observation of the organization's human resource practices and a review of all relevant HRM and personnel documents. The following documents are recommended for review:

- Personnel Files and Reviews
- Job Descriptions and Work Plans
- Financial/Payroll Records
- Labor Law

- Employee Policy Statements or Manual
- Organizational Mission Statement
- Strategic Plans

The HRM Assessment Instrument

Instructions

For each of the human resource components in the matrix below, circle the statement that best applies to the *current* status of your organization. If only part of the statement applies, circle the previous statement. In the blank box in the right-hand column, please record the indicators (or reasons) that led you to select this box and any additional key information related to this component. Please refer to the glossary on page 16 for definitions of key terms used in the matrix.

HRD Component	Stages of Human Resource Development and Characteristics				Indicators
	1	2	3	4	
HRD Capacity					
HRD Budget	There is no budget allocated for HRD staff or HRD activity within the organization.	There is limited money available to fund an HRD position or to conduct HRD activities (e.g., training, systems development, performance planning, and evaluation).	Budget is allocated for HRD staff and related activities. Allocation is irregular and cannot be relied on for any useful long-range planning or the development of HRD systems.	Money for HRD staff and related activities is a permanent budget item, reviewed annually and adjusted if possible.	
HRD Staff	There are no staff specifically charged with responsibility for HRD functions.	There are HRD staff in the organization, but they have limited experience related to this field (personnel, recruitment, management) and/or have other functions in the organization as well as HRD.	There are trained HRD staff in the organization, but only at a level to maintain basic procedures and record-keeping functions.	There are experienced HRD staff in the organization who maintain HRD functions. They participate in long-range planning for the organization.	

HRD Component	Stages of Human Resource Development and Characteristics				Indicators
	1	2	3	4	
HRD Planning					
Organizational Mission/Goals	No formal mission statement or organization goals exist.	Mission/goals exist but are not formally linked to HRD planning (e.g. staffing, job classifications).	Mission/goals linked in a formal way to HRD planning (e.g., staffing plan, training).	Mission/goals linked to annual HRD planning and also used for forecasting long-range staffing and recruitment needs.	
HRD Planning	No annual HRD plan exists.	Annual HRD plan exists, but is not based on a formal assessment of the mission, organizational goals, staffing needs, training outputs, or existing employee data.	Annual HRD plan exists, based on organizational goals, staffing needs, training, and employee data, but it is not further evaluated for effectiveness.	Annual HRD plan based on organizational goals and training outputs exists. It is implemented, evaluated, and used for long-range strategic planning.	

HRD Component	Stages of Human Resource Development and Characteristics				Indicators
	1	2	3	4	
Personnel Policy and Practice					
Job Classification System (Title/qualifications for: professional, clinical, technical, support staff)	No formal system exists to classify jobs and the skills and qualifications required for each classification.	There is some attempt to classify jobs, but it is uneven and incomplete.	A job classification system exists, but it is not used as a basis for other HRD functions (e.g. job descriptions, hiring, salary/benefits).	A job classification system exists and is used in a formal manner for other HRD planning and staffing functions.	
Compensation and Benefits System	No formal system exists for determining the salary scale and benefits provided to each job classification.	A formal system exists, but it not used in a routine manner.	A formal system exists, is understood by all employees and used in a consistent manner.	A formal system exists and is used consistently. It is also used to determine salary upgrades and merit awards.	
Recruitment, Hiring, Transfer, and Promotion	No formal process exists for recruiting, hiring, transfer, and promotion according to job descriptions.	There are systems for hiring, etc., but they are not followed.	There are formal systems, based on established criteria, but they are not used consistently.	There are formal systems, monitored and used in all hiring, transfer, and promotion decisions.	
Orientation Program	There is no formal orientation program for new employees.	There is a program, but it is not implemented on a regular basis.	Orientation is offered in a routine manner, but does not emphasize the mission, goals, and performance standards expected by the organization.	Orientation is offered to all new employees, emphasizes the mission, goals, and performance standards expected, and also makes people feel welcomed and valued.	

HRD Component	Stages of Human Resource Development and Characteristics				Indicators
	1	2	3	4	
Personnel Policy and Practice (continued)					
Policy Manual (e.g., organizational chart, work hours, time sheets, policy, discipline, grievances, benefits, legal, travel)	No policy manual exists.	Policy manual does exist, but it is out of date and does not include all of the relevant information.	A current policy manual does exist but it is not available to all employees and is not always used as a basis for personnel decisions.	An updated policy manual does exist and is available to all employees. It serves as a reference guide to all questions about employment in the organization and is reviewed and updated regularly.	
Discipline, Termination, and Grievance Procedures	No formal procedures exist.	Formal procedures do exist, but they are not clearly related to performance standards.	Formal procedures based on performance standards exist, but they are not followed in any consistent manner.	Formal procedures based on performance standards are known to all employees and used consistently.	
Relationship with Unions (if appropriate)	There is no link between HRD, management, and the union.	Links exist between HRD, management, and union, but roles are not clear.	Management involves HRD in union issues, but on an irregular basis.	Management, HRD, and the union work together to resolve issues and prevent problems.	
Labor Law Compliance	There is no review of HRD policies to ensure compliance with local and/or national labor law.	There is some effort to review labor law, but it is not done on a regular basis.	A review of the labor law is done regularly as a formal part of the HRD function, but policy is not always adjusted to ensure compliance.	HRD policy and practice is adjusted as needed to be in compliance with the local and/or national labor law.	

HRD Component	Stages of Human Resource Development and Characteristics				Indicators
	1	2	3	4	
HRD Data					
Employee Data (e.g., number of staff, location, skill/education level, gender/age, year of hire, salary level)	None of this data is collected on any kind of systematic basis.	Most of this data is collected, but not maintained or kept up to date.	All of this data is available and up to date, but data is not formally used in HRD planning or forecasting.	All of this data is available and up to date. Systems are in place. Data is formally used in HRD planning and forecasting.	
Computeri-zation of Data (Note: this component is more relevant for larger organizations)	There are no computers or data systems available to the organization, externally or internally.	There are computers in place, but no resources to develop systems for data management.	Computers and data management systems are available, but staff not trained and data files are incomplete.	Computers and data management systems are in place and data files up to date. Staff receive training.	
Personnel Files (Individual Employee Records)	No individual employee records exist.	Limited employee personnel files are maintained, but not regularly updated.	Personnel files for all employees are maintained and kept up to date, but there is no policy for employee access or use of this data.	Updated personnel files for all employees exist and also policies for appropriate use (e.g., confidentiality, employee access).	

HRD Component	Stages of Human Resource Development and Characteristics				Indicators
	1	**2**	**3**	**4**	
	Performance Management				
Job Descriptions (e.g., job title, qualifications, responsibili-ties, supervisor)	No job descriptions are developed.	Some staff have job descriptions, but they are not always up to date and/or are very general, lacking job responsibilities and supervision.	All staff have job descriptions, but they are not all complete or up to date with specific duties and lines of supervision.	Complete job descriptions exist for every employee and are kept up to date through a regular process of review. Specific duties and lines of supervision are clearly stated.	
Staff Supervision	There is no clear system of supervision. Lines of supervision are unclear. Staff authority are not recognized for their achievements.	There are established lines of authority, but the supervisor's role and function is not understood and little supervision takes place. Limited staff recognition.	Supervisors understand their roles and lines of authority and meet regularly with their employees to develop work plans, evaluate, performance, and publicly recognize staff for their achievements.	Supervisors increase staff performance by assisting staff with professional development plans and encouraging them to learn new skills. Supervisors receive skills training periodically.	
Work Planning and Performance Review (A formal work planning and performance review system [PP&R])	There is no work planning and performance review system in place.	A work planning and performance review system is in place, but it is informal and does not include work plans and performance objectives developed jointly with staff.	There is a formal system and supervisors are required to develop work plans and performance objectives with each employee and review performance in the past, but this is not done on a consistent basis.	Supervisors and employees develop work plans jointly and performance reviews are conducted on a regular basis. Orientation sessions and a manual are provided to all staff. Reviews are used for personnel decisions.	

HRD	Stages of Human Resource Development and Characteristics				Indicators
Component	1	2	3	4	
Training					
Staff Training	There is no training plan.	Training is offered on an ad-hoc basis but it is not based on a formal process of assessing staff needs nor is it linked to the organization's key priorities and changes in the health sector and health practices.	Training is a formal component of the organization and linked to staff and organizational needs, but it is not available for all staff, nor is it evaluated for results.	Training is a valued part of the organization and opportunities are developed for staff based on their needs and also on those of the organization.	
Management and Leadership Development	There is no policy or philosophy regarding the importance of developing strong management capacity and future leaders for the organization.	There is an emphasis on developing management capacity but it is not done on a regular basis.	The organization makes an effort to develop managers and future leaders through training, and also through mentoring and challenging job assignments, but participation is selective.	A plan for management and leadership development is in place and there is an opportunity for everyone to participate based on performance and other established criteria.	
Links to External Pre-Service Training	There is no formal link with the pre-service training institutions which train employees for the health sector.	There is a loose relationship between the organization and pre-service training institutions, but it is not used in any formal way for workforce training and development.	The organization and pre-service training institutions work together to ensure that the curriculum is based on skills, knowledge, and attitudes required in the workplace.	The organization and pre-service training institutions also offer regular in-service training for staff already in the workplace to upgrade their skills and knowledge, (e.g., management training).	

Interpreting Your Results

The following guidelines will help you to interpret the results of your human resource management assessment and prioritize areas for improvement.

It is important that a variety of staff (and board members, if applicable) review and analyze the results, and that consensus is reached on human resource areas that should be prioritized for improvement in the organization. For each human resource component, the characteristics describe an organizational stage of development and provide information that is useful in developing a plan of action for your organization.

The tasks required for making improvements are not necessarily costly, but if resources are limited, think strategically. Which actions will have the biggest impact on the effectiveness of the organization? Whatever the amount of time and resources that are required, an investment in HRM will reap many benefits for your organization.

Where to Begin

The components described in the HRM Instrument relate to the different parts of a human resource system. Some of these describe structural and organizational elements (e.g., staffing, budget). Other components describe policy requirements. Some of the components describe management systems that are critical to managing human resources, such as performance management and supervision. Other components relate to staff training and development activities. An effective human resource management system integrates all of these components.

While all of the components assessed by this Instrument are required to manage your human resources effectively, there is an order to their importance:

HRM Capacity. It is critical that you address this component first. If your assessment for HRM Capacity (budget and staff) is at a level 1 or 2, meaning that there are no qualified staff charged with human resources responsibility, your institution or organization cannot address the other human resource components described here.

HRM Planning. Next in order of importance is HRM Planning. The organizational mission provides direction to the human resource strategies and the HRM plan provides direction to the work that people do.

Personnel Policy and Practice. All of the elements included under Personnel Policy and Practice provide an essential framework for defining the terms and conditions of work and need to be in place before effective performance management and supervision systems can be implemented.

HRM Data. In addition to the above components, organizations require some means of tracking the people who work for them. They also need employee data to accurately project employment needs. This component should be addressed in a timely fashion.

Performance Management. Performance management and supervision systems define how people will interact with each other and how the work that they do will support the goals of the institution or organization.

Training. Training is an essential component of an effective human resource system, but it is most effective when it is managed and integrated into the other components of human resource planning, policy, and performance management.

It is suggested that you assess your results based on the priorities suggested above before developing your action plan.

Developing an Action Plan

After discussing and interpreting the results, the group should agree on the priority areas to be addressed (referring to the prioritization guidelines above). Once the priority components are identified and agreed to, the group should develop an action plan (see the Sample HRM Action Plan on next page). By looking at the characteristics at the next higher stage for each human resource component, you can formulate targets and tasks for your action plan.

Successful, lasting change is a gradual process, so it is better to set realistic goals and try to move from one stage to the next in incremental steps. If many areas need to be addressed, focus on what is most practical and achievable given the available human and financial resources. Consider where you can have the biggest impact. *For example, updating job descriptions can also provide a basis for performance evaluation,*

supervisory roles, and staff training. Your action plan should specify activities and time lines and identify the persons responsible. Other elements to consider include:

- **Securing commitment of leadership.** The leadership of your organization should guide the effort and actively support your activities, especially in regard to potentially difficult decisions regarding the use of human and financial resources.

- **Allowing sufficient time.** Realistic expectations are often the key to success. Improvements are often incremental and cumulative and sustained change takes time.

- **Managing change.** Organizational change is often met with resistance. By involving people in the process, you can help reduce resistance and/or work on those areas where there is the most agreement.

Sample HRM Action Plan

HRD Component for Improvement	Proposed Activities	Time Line	Person(s) Responsible	Resources Needed	Indicators
Job Descriptions	Undertake a comprehensive review of all job descriptions, compare them with employees' current and anticipated job responsibilities. Update as necessary.	Over the next several months.	Executive Director and HRD Director.	Staff time and assistance. No additional resources required.	Current job descriptions are on file for all staff, including specific duties and lines of supervision. A procedure to maintain them is in place.
Work Planning and Performance Review	Revise existing system to include a process of joint work planning between the employee and the supervisor which is based on employee's job description and linked to organizational goals.	Six months to review to develop a process and six months to train staff and implement it.	Staff responsible for HRD and Director of Training, with a working committee representative of all levels of the organization.	External consultant to assist in training all staff.	Revised performance evaluation system is in place. Staff are trained and a system has been developed to monitor implementation.

Defining the Importance of the HRM Components

The following chart provides a summary of how each HRM component fits in the overall management of the organization and its particular relevance to the human resource system.

HRD Area and Component	Importance
HRD Capacity	
HRD Budget	Allows for consistent HRD planning and for relating costs to results.
HRD Staff	Staff dedicated to HRD are essential to policy development and implementation.
HRD Planning	
Organizational Mission/Goals	Mission provides direction to HRD activity and to the work of the staff.
HRD Planning	Allows HRD resources to be used efficiently in support of organization goals.
HRD Data	
Employee Data	Allows for appropriate allocation and training of staff, tracking of personnel costs.
Computerization of Data	Accessible, accurate, and timely data is essential for good planning.
Personnel Files	Provide essential data on employee's work history in organization.
Personnel Policy and Practice	
Job Classification System	Allows organization to standardize the jobs and types of skills it requires.
Compensation and Benefits System	Allows for equity in employee salary and benefits, tied to local economy.
Recruitment, Hiring, Transfer, and Promotion	Assures fair and open process based on candidates' job qualifications.
Orientation Program	Helps new employees to identify with the organization and its goals/values.
Policy Manual	Provides rules and regulations that govern how employees work and what to expect.
Discipline, Termination, and Grievance Procedures	Provides fair and consistent guidelines for addressing performance problems.
Relationships with Unions	Promotes understanding of common goals and decreases adversarial behaviors.
Labor Law Compliance	Allows organization to function legally and avoid litigation.

HRD Area and Component	Importance
Performance Management	
Job Descriptions	Defines what people do and how they work together.
Staff Supervision	Provides a system to develop work plans and monitor performance.
Work Planning and Performance Review	Provides information to staff about job duties and level of performance.
Training	
Staff Training	A cost-effective way to develop staff and organizational capacity.
Management and Leadership Development	Leadership and good management are keys to sustainability.
Links to External Pre-Service Training	Pre-service training based on skills needed in the workplace is cost effective.

Glossary of HRM Terms

Compensation and benefits: The annual base salary paid to the employee for a particular job, including the added benefits that are customarily allowed (i.e., health, vacation, housing, loans).

Human resource management: The integrated use of systems, policies, and practices to recruit, develop, and maintain employees in order for the organization to meet its desired goals.

HRM Plan: The document which results from annual (or longer-term) planning, describing the goals and priorities for staffing, training, and other HRM activities, and how they are related to the organization's mission. It includes the budget for achieving these goals.

Incentives: Rewards, generally monetary, that are used to reward good performance, the achievement of objectives, and/or to motivate employees to improve program quality. Incentives, in addition to salary and benefits, can be a planned part of total compensation.

Job classification system: The system that the organization develops to classify jobs according to their function and level of responsibility. It includes job descriptions for each position.

Job description: A document that states the job title, describes the responsibilities of the position, the direct supervisory relationships with other staff, and the skills and qualifications required for the position.

Performance Mmanagement: The system, policies, and procedures used by an organization to define and monitor the work that people do, and to ensure that the tasks and priorities of employees are in alignment with the mission and goals of the organization.

Performance review: A review of the employee's performance by the supervisor and employee, and based on jointly established work plans and performance objectives.

Recruitment: Activities undertaken by the organization to attract quality job candidates.

Work planning: The process used by supervisors and staff to jointly plan the performance objectives and specific activities the employee is expected to perform within a specific time period.

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